



FRED WILLIAMSON & ASSOCIATES, INC.
Telecommunications Management Services

VIA ECFS

June 29, 2015

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of Secretary
445 12th Street, S. W.
Washington, D.C. 20554

RE: Submission of information Pursuant to FCC 54.313 Rules and Request for Confidential Treatment – ETC Annual Reports and Certifications WC Docket No. 1458

Dear Ms. Dortch:

In accordance with the annual reporting requirements of 47 C.F.R. §§54.313 and 54.422, Lavaca Telephone Company, Inc. ("Lavaca"), Oklahoma, Study Area Code 431704, is submitting a completed FCC Form 481 to the Commission via its Electronic Comment Filing System (ECFS) in WC Docket No. 1458. Lavaca, by its authorized representative, hereby requests confidential treatment of two attachments to its FCC Form 481: (1) the five-year service quality improvement plan identified on Form 100, Line 112 and (2) the financial annual report identified on Form 3005, both of which were redacted in the ECFS submission. The request for confidential treatment of the five-year plan is being made pursuant to section 0.459 of the Commission's rules and Exemption 4 of the Freedom of Information Act (FOIA). The request for confidential treatment of the financial annual report is being made pursuant to the FCC's June 17, 2015 Protective Order in WC Docket No. 1458. These attachments contain competitively sensitive data that Lavaca maintains as confidential and does not normally make available to the public. Release of this information would have a substantial negative impact on the Company.

Lavaca is also transmitting the following information to the Commission in compliance with C.F.R. §§54.313 and 54.422:

- Submission to the Office of the Secretary, this cover letter and the Form 481 filing which includes the confidential information that is being requested to be withheld from public inspection. Confidential information has been designated in accordance with Confidentiality guidelines and the Protective Order.
- Two copies of the Form 481 filing in redacted form and an accompanying cover letter are also being provided with the confidential filing.
- Two copies of this cover letter and the Form 481 filing with the confidential information are also being delivered to Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau.

121 East College Street • Broken Arrow, OK 74012 • 918-298-1618

REDACTED - FOR PUBLIC INSPECTION

The confidential information has also been submitted to the Universal Service Administrative Company through its E-File system as an attachment to the FCC Form 481. Lavaca requests that the information contained in its five-year service quality improvement plan be withheld from public inspection because it contains competitively sensitive commercial and financial information that the Company keeps confidential. Public availability of this information would have a substantial negative impact on the Company. Lavaca offers the following information pursuant to section 0.459 of the Commission's rules and Exemption 4 of FOIA in support of this request:

(1) Identification of the specific information for which confidential treatment is sought:

Attachment to Line 112 of FCC Form 481 – Five-Year Service Quality Improvement Plan. Specifically, confidential treatment is sought for all information in the five-year plan related to the Company's future network plans and information concerning future services provided to customers.

(2) Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:

The information was submitted in WC Docket Nos. 10-90 and 11-42 as an attachment to FCC Form 481- the Carrier Annual Reporting Data Collection Form. Section 100 of FCC Form 481 requires incumbent local exchange carriers receiving high cost support to attach a five-year service quality improvement plan, pursuant to 47 C.F.R. §§54.202(a)(1)(ii) and 54.313(a)(1).

(3) Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:

The five-year service quality improvement plan contains information on the Company's future plans, number of customers served and other planning information that company does not make publicly available.

(4) Explanation of the degree to which the information concerns a service that is subject to competition:

Broadband is subject to increasing competition in the areas served by rural, rate-of-return incumbent local exchange carriers (RLECs). Virtually all RLECs face competition from one or more Internet service providers.

(5) Explanation of how disclosure of the information could result in substantial competitive harm:

Disclosure of the information contained in the five-year plan would provide competitors with detailed, granular information regarding the Company's strategic plans. This would provide competitors access to confidential information they could employ to develop their own plans a particular service area. This could cause competitive harm to the Company.

(6) Identification of any measures taken by the submitting party to prevent unauthorized disclosure:

The Company has continually treated information regarding its network and service plans as confidential and carefully controls the information to protect it from competitors.

(7) Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:

The redacted information in the five-year plan is not available to the public, and third party access is limited as described in (6) above.

(8) Justification of the period during which the submitting party asserts that material should not be available for public disclosure:

The Company requests that the extracted information be withheld from public inspection indefinitely. The five year planning period information would provide valuable information to competitors for several years beyond that period.

(9) Any other information that the party seeking confidential information treatment believes may be useful in assessing whether its request for confidentiality should be granted:

Exemption 4 of FOIA shields from public disclosure commercial or financial information obtained from a person that is privileged or confidential. Based on the responses provided above, the information in question satisfies this test.

Please contact me if you have any questions.

Sincerely,



Tim Morrissey
President
314-605-9220
tmorrissey@fwainc.com

Enclosures

cc: Mr. Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, (2 hardcopies of confidential submission)

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2016
<030>	Contact Name: Person USAC should contact with questions about this data	JOHN ZEILER
<035>	Contact Telephone Number: Number of the person identified in data line <030>	4796742211 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	johnz@pinncm.com

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
			(check box when complete)	
<100>	Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200>	Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300>	Unfulfilled Service Requests (voice)	0	<input type="checkbox"/>	<input type="checkbox"/>
<310>	Detail on Attempts (voice)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330>	Detail on Attempts (broadband)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420>	Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440>	Fixed	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450>	Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	431704OR510.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	431704OR610.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710>	Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800>	Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000>	Voice Services Rate Comparability Certification	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010>	431704OR1010.pdf	(attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1100>	Certify whether terrestrial backhaul options exist (Yes or No)	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>		(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet				
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers				
<2000>		(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>		(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet				
<3000>		(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>		(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035>	Contact Telephone Number - Number of person identified in data line <030>	4796742211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncom.com

<110>	Has your company received its ETC certification from the FCC?	(yes / no)	<input type="radio"/>	<input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no)	<input type="radio"/>	<input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

431704OK112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113> Maps detailing progress towards meeting plan targets
 <114> Report how much universal service (USF) support was received
 <115> How much (USF) was used to improve service quality and how support was used to improve service quality
 <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
 <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
 <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Not Applicable

[illegible]

<010>	Study Area Code	431704
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<039>	Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncm.com

[illegible]

(900) Tribal Lands Reporting
Data Collection FormFCC Form 481
OMB Control No. 3060-0986 OMB Control No. 3060-0819
July 2013

<010> Study Area Code 431704
 <015> Study Area Name LAVACA TEL CO-OK
 <020> Program Year 2016
 <030> Contact Name - Person USAC should contact regarding this data JOHN ZEILER
 <035> Contact Telephone Number - Number of person identified in data line <030> 4796742211 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> johnz@pinnc.com

<910> Tribal Land(s) on which ETC Serves

CHOCTAW

<920> Tribal Government Engagement Obligation

431704OK920.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

<921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
 <922> Feasibility and sustainability planning;
 <923> Marketing services in a culturally sensitive manner;
 <924> Compliance with Rights of way processes
 <925> Compliance with Land Use permitting requirements
 <926> Compliance with Facilities Siting rules
 <927> Compliance with Environmental Review processes
 <928> Compliance with Cultural Preservation review processes
 <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable
Not Applicable

(1100) No Terrestrial Backhaul Reporting
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986 OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035>	Contact Telephone Number - Number of person identified in data line <030>	4796742211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncm.com

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986 OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035>	Contact Telephone Number - Number of person identified in data line <030>	4796742211 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncom.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

431704OK1210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETOs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒

<1222> Details on the number of minutes provided as part of the plan, ☒

<1223> Additional charges for toll calls, and rates for each such plan. ☒

Name of Attached Document(s) Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986 OMB Control No. 3060-0819
July 2013

<010> Study Area Code 431704
<015> Study Area Name LAVACA TEL CO-OK
<020> Program Year 2016
<030> Contact Name - Person USAC should contact regarding this data JOHN ZEILER
<035> Contact Telephone Number - Number of person identified in data line <030> 4796742211 ext.
<039> Contact Email Address - Email Address of person identified in data line <030> johnz@pinnc.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

- (3010) Progress Report on 5 Year Plan
Milestone Certification (47 CFR § 54.313(f)(1)(i))

431704OK3010.pdf

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313(f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☒

431704OK112.pdf

- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))
(3014) If yes, does your company file the RUS annual report

(Yes/No) ☒ ☒
(Yes/No) ☒ ☒

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☐
(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, Is your company audited?

(Yes/No) ☐ ☒

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☐
(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐
(3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit ☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☒
(3023) Underlying information subjected to a review by an independent certified public accountant ☒
(3024) Underlying information subjected to an officer certification. ☒
(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☒

431704OK3026.pdf

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation (Continued)

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986 OMB Control No. 3060-0819

July 2013

<010> Study Area Code	431704
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<039> Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncm.com

Financial Data Summary

(3027) Revenue

6515387

(3028) Operating Expenses

5181903

(3029) Net Income

1479311

(3030) Telephone Plant In Service (TPIS)

17207218

(3031) Total Assets

8344894

(3032) Total Debt

252524

(3033) Total Equity

11355803

(3034) Dividends

800000

Name of Attached Document Listing Required Information

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986; OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	431704
<015> Study Area Name	LAVACA TEL CO-OK
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035> Contact Telephone Number - Number of person identified in data line <030>	4796742211 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncom.com

TO BE COMPLETED BY THE REPORTING CARRIER IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0988 OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	431704
<015> Study Area Name	LAVACA TEL CO-OK
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
<035> Contact Telephone Number - Number of person identified in data line <030>	4796742211 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncm.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>Tom Karalis</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	Tom Karalis
Name of Reporting Carrier:	LAVACA TEL CO-OK
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 06/29/2015
Printed name of Authorized Officer:	Michael Gibson
Title or position of Authorized Officer:	President
Telephone number of Authorized Officer:	4796742211 ext.
Study Area Code of Reporting Carrier:	431704 Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	LAVACA TEL CO-OK
Name of Authorized Agent or Employee of Agent:	TOM KARALIS
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 06/29/2015
Printed name of Authorized Agent or Employee of Agent:	TOM KARALIS
Title or position of Authorized Agent or Employee of Agent:	CONSULTANT
Telephone number of Authorized Agent or Employee of Agent:	9182981618 ext.
Study Area Code of Reporting Carrier:	431704 Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C § 1001.	

Attachments

<703>

[illegible]

<010>	Study Area Code	431704
<015>	Study Area Name	LAVACA TEL CO-OK
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	JOHN ZEILER
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<039>	Contact Email Address - Email Address of person identified in data line <030>	johnz@pinncm.com

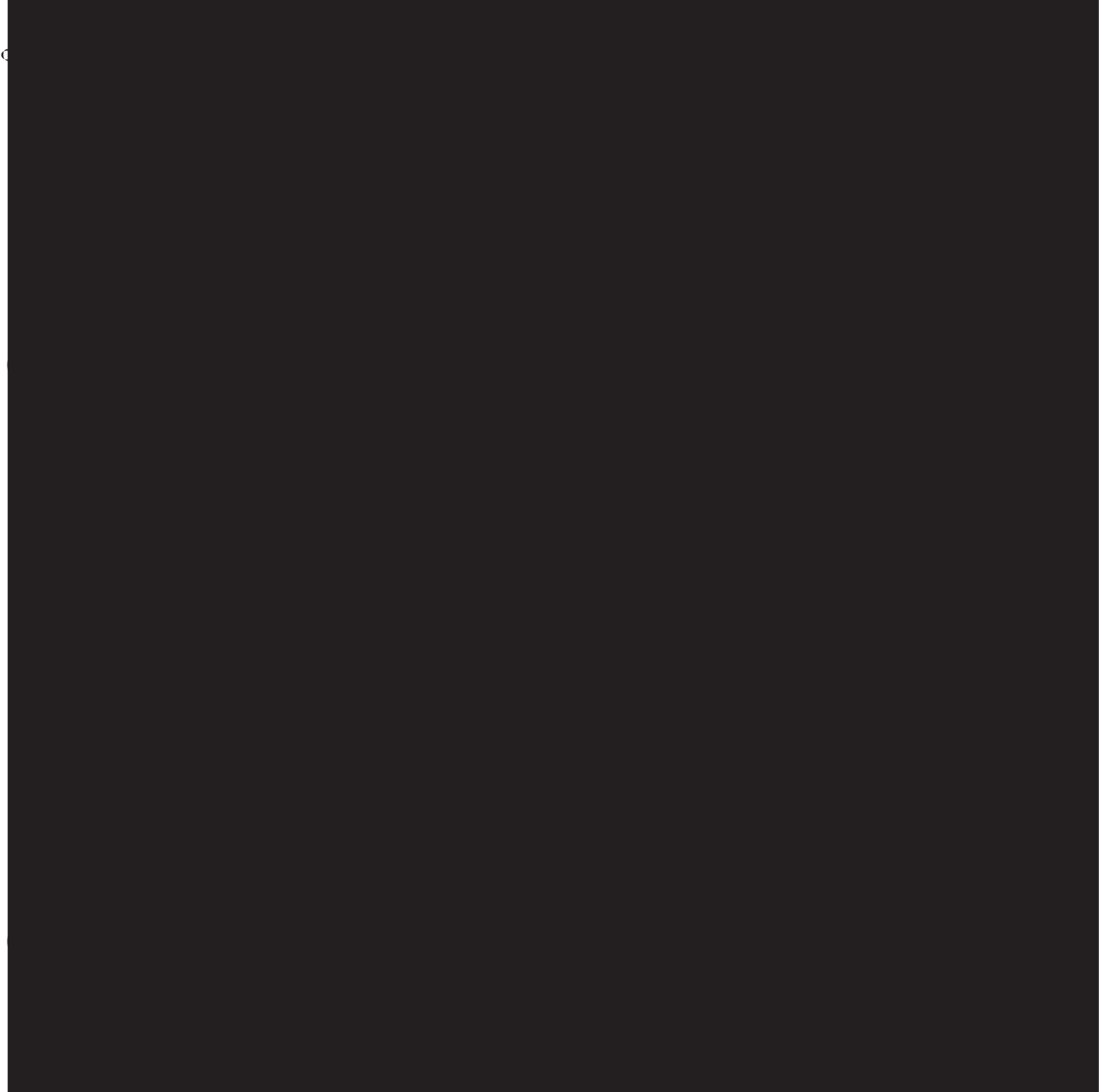
[illegible]

[illegible]

LAVACA TELEPHONE COMPANY, INC.
FIVE-YEAR QUALITY IMPROVEMENT PLAN
(USAC DOCUMENT - 431704OK112.PDF)

Company Name: Lavaca Telephone Company - Oklahoma

Company Headquarters: Lavaca, Arkansas





REDACTED - FOR PUBLIC INSPECTION





REDACTED - FOR PUBLIC INSPECTION



LAVACA TELEPHONE COMPANY, INC.

QUALITY OF SERVICE AND CUSTOMER PROTECTION PROCESS

(USAC DOCUMENT - 431704OK510.PDF)

LAVACA TELEPHONE COMPANY, INC., d.b.a. PINNACLE COMMUNICATIONS
QUALITY OF SERVICE & CUSTOMER'S PROTECTION PROCESS

1. Available Customer Service Representatives to Answer Phones

95% of all calls received by Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications during business hours are answered by the third ring. When the assigned customer representatives are unable to answer calls by the third ring, calls are answered by our voice mail system and calls are returned to customers within the hour.

2. Provide After Hours Emergency Customer Service

Calls are answered within 60 seconds by our voice mail system. Calls are reviewed the following day by personnel. Customer service representatives have been given a list of questions by Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications to ask to assist them in resolving many issues. Unresolved issues are worked that day. Issues requiring immediate attention are sent to the Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications service technician on call, who works to resolve the matter as quickly as possible. If that technician is unable to resolve the problem, additional technicians are called. After-0hours customer service is also available.

3. Provide a 24/7 Internet Help Desk Service

All calls are answered within 60 seconds. Managers are available as necessary to review and address and issues.

4. Give Customers Cut-Off Warnings & Provide Bill Arrangement Opportunities

Customers are given nearly two months of missed payments before phone service is cut off. Notification of the payment due date and the cut-off date are prominently displayed on bills as well as of the opportunity to make payment arrangements to avoid being cut-off.

A customer service representative will attempt to call a customer in danger of losing phone service to remind them of the late payment. Account balance reports are printed monthly internally using the company's billing system.

5. Ensure That All New Service Installation Orders Are Fulfilled Promptly

All customers are contacted within 48 hours regarding scheduling the new service installation. If outside plant is already in place, fill the order at the customers' earliest convenience; if outside plant is not in place, fill the order as soon as the weather permits.

6. Minimize Customer Downtime for Services & Make Requested Changes Promptly

Contact customers regarding all service requests that same day, with a goal of resolving all issues within 48 hours. Any unresolved issues will be resolved contingent on the technician/customer coordination of access to the premises.

7. Proactively Monitoring in Case of Major Service Outages

Service technicians will be made aware of outages affecting customers within an hour. It is the goal of Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications to resolve major outages in four hours or less. If an outage has not been resolved within four hours, technicians will begin utilizing all resources, both from within and from without.

CUSTOMER PRIVACY

Company Confidential Information Policy – Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications has a company policy in place that holds employees accountable for a breach of confidentiality concerning customer data and company information. The policy states: “you are reminded that revealing any type of confidential information to unauthorized persons or tampering with or altering company records and/or property is a violation of trust that can result in disciplinary action up to and including discharge”.

Company CPNI Policy – Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications also has a Customer Proprietary Network Information (CPNI) policy in place that ensures employees compliance with the FCC’s CPNI guidelines. Outlined within the policy is a detailed description of CPNI as well as both acceptable and unacceptable CPNI practices.

Employees are required to sign waivers stating they understand and agree to comply with the policy and acknowledge that “failure to protect this information may result in disciplinary action up to and including discharge for the responsible employee.”

As a part of the policy Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications has designated a Compliance Officer responsible for assuring training of employees, monitoring CPNI related activities, and reporting breaches.

LAVACA TELEPHONE COMPANY, INC.

EMERGENCY SITUATION FUNCTIONALITY – AVAILABILITY OF BACK UP POWER

(USAC DOCUMENT - 431704OK610.PDF)

LAVACA TELEPHONE COMPANY, INC., d.b.a. PINNACLE COMMUNICATIONS

EMERGENCY SITUATION FUNCTIONALITY AVAILABILITY OF BACK-UP POWER

Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications has one central office switch and one remote location within its service area. Each of these locations is equipped with a backup battery supply as well as a generator capable of providing power to the equipment within that office in the event of an external power source outage. After a power outage, generators are inspected and are also professionally serviced bi-annually to ensure functionality.

In addition, Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications has installed back-up batteries on the customer premise equipment. Spare batteries are kept at Lavaca Telephone Co. Inc., d/b/a Pinnacle Communication's main office for replacement of batteries at customer homes in the event of a prolonged power outage.

TRAFFIC ROUTING

Voice traffic between the central office switch and remote is carried across fiber. Voice traffic between the central office switch and the upstream tandem is also provisioned across fiber.

MANAGING TRAFFIC SPIKES

Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications' careful capacity planning has put multiple constraints and triggers in place on its Central Office equipment, outside plant equipment, and network backbone that will provide the company with the capability of handling traffic spikes during emergency situations.

Usage rates are analyzed monthly internally by Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications using reports automatically generated by the switch to ensure the usage does not exceed 90% of total line capacity. Lavaca Telephone Co. Inc., d.b.a. Pinnacle Communications will monitor traffic internally on a monthly basis to insure optimal efficiency.

LAVACA TELEPHONE COMPANY, INC.

TRIBAL LANDS REPORTING

(USAC DOCUMENT - 431704OK920.PDF)



March 29, 2013

Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Tribal Government Engagement Obligations as High Cost Recipient (47 CFR 54.313)

To whom it may concern:

Lavaca Telephone Company, Inc. d.b.a. Pinnacle Communications, serving parts of eastern Oklahoma, in particular former reservations of the Choctaw Nation, has engaged with the tribal leaders as indicated within. While the Chief was unavailable to speak with us, the chief directed their information technology coordinator to visit with us regarding our services and the needs of the tribe. Through multiple telephone discussions and emails, as the tribal members were unavailable for a face to face visits, we discussed the Tribal communities anchor institutions and its needs, their feasibility and sustainability planning and its relationship to ours, marketing of our services in particular Lifeline and Link-up services, ROW and land uses related issues, as well and Tribally required licensing issues.

Through our multiple discussions we determined that, while we serve the former reservation area, we do not currently serve any areas that are tribally owned, or are within the tribes plans to develop, but we assured the tribe of our desire to meet future needs should they expand within our serving territory. As there are currently no tribally owned properties within Pinnacle's serving territory we agreed that feasibility and sustainability are a matter for future concern as are the matters of ROW, land use and licensing. Where we were able to work with the tribe to market services Lifeline and Link-up services, by providing the tribe with literature regarding the availability of such services and discounts for their distribution by their services groups, which they suggested might be the best culturally sensitive method to communicate such opportunity.

Should the Commission wish to receive details of the dates, times and methods of communications or attempted communications, as well as details of the person with whom we attempted to communicate, we will be happy to provide that.

Sincerely,

John Zeiler – General Manager
Pinnacle Communications

PINNACLE COMMUNICATIONS

P.O. BOX 230 • LAVACA, AR 72941 • PHONE: 479-674-2211 • FAX: 479-674-5810

Tribal contact record

Method of contact	Date	Audience	Tribe	Purpose/discussion	Next step
2014 Efforts					
Email - Chief Pyle, c/o D Stark	12/18/2014	Dustin Stark	Choctaw	Renew relationship and remind the Tribe of our available services to serve their members within our serving territory, offering Tribal Lifeline forms for tribal distribution.	email to followup
Dustin Stark	12/19/2014	Dustin Stark	Choctaw	Emailed Lifeline form for use/distribution in Tribal offices and clinics	Dustin to call for any needs

John Zeiler

From: John Zeiler [johnz@pinncom.com]
Sent: Thursday, December 18, 2014 5:42 PM
To: 'Dustin Stark'
Subject: Just checking in - also new Hosted VOIP to possibly offer in 2015!
Attachments: img-141218182351-0001.pdf

Dustin,

I hope everything is going well with you and the tribe. I just wanted to check in with you and confirm that there are no immediate needs that we may be able to meet for the tribe within our serving territory. We are looking at offering a hosted VOIP solution in the very near future and if you think the tribe might be interested, it could possibly be an efficient solution to current telecom services and that is something that we could offer in areas outside of our current serving area. I would like to discuss this with you after the first of the year if you are interested.

I will forward our Lifeline information to you tomorrow. It will be a copy of our latest application and if you could forward that to the tribal offices in the area for information and utilization by the tribal members within our area, that would be most appreciated.

Thanks,
John Zeiler



December 18, 2014

Choctaw Chief Gregory Pyle
c/o Dustin Stark
Choctaw Nation of Oklahoma
P.O. Box 1210
Durant, OK 74702-1210

Dear Chief Pyle and Mr. Stark;

Thanks again for taking time to correspond with me last year regarding the services we offer in Oklahoma in the Panama and Shady Point areas. I just wanted to follow up with you to see if there might be a need to meet if email correspondence is not preferred. I'd just like to confirm that we are meeting the communications needs of the Choctaw tribe. While most of the info below is the necessary repetition of last year, I wanted to let you know that we may be moving into the field of Hosted IP phone solutions. If that is something that your group might be interested in I would like to visit with you about pricing and availability as we move closer to service delivery. Just let me know. Pinnacle Communications, Inc. is a rural independent telephone company providing service to approximately 1,000 customers in Eastern Oklahoma. This includes lands which are in the Choctaw Nation. Pinnacle offers landline phone service, Broadband internet (up to 50M), long distance services and DirecTV as well as opportunities to bundle these services together.

Pinnacle currently provides service to several local community anchor institutions. This partnership allows the institutions the ability to have connectivity worldwide and to offer services to the community at each location. Pinnacle believes that anchor institutions such as community centers, fire stations and city halls are an integral part of the community and provide countless benefits and gathering places to area residents. Pinnacle has the ability to provide service upon reasonable request to anyone in its service area including Tribal community anchor institutions.

Pinnacle is currently fully fiber deployed. Through various partnerships and its position in both Arkansas and Oklahoma, Pinnacle has the ability to offer ever increasing internet speeds at competitive prices. These speeds allow customers to have access to services such as video streaming, telemedicine, offsite workplaces and remote study opportunities for education. Such services allow for the growth of connectivity in a rural landscape enabling those customers the ability to be ever more connected to the retail environments of urban areas.

Pinnacle also provides Lifeline/Link-Up service in its study areas to customers that qualify under state and federal guidelines. Those qualifying for Lifeline and residing on federally recognized Tribal Lands also qualify for Link-Up. Link-up may be used for activating new phone service or activating existing service in a new location. Pinnacle also offers toll limitation service which helps households save money by blocking toll calls from being made, thus preventing costly long distance bills. We appreciate that the tribe was willing to place our lifeline information at their tribal benefit offices last year and we would appreciate it if we could work with the tribe to place the new forms at your offices this year as well.

I would like to meet briefly with you or your designated tribal decision maker regarding the needs of the Choctaw Nations and its tribal members so that we might best serve you. Please contact me so that we might set up a convenient meeting time before year end. I may be reached at 479-674-2104 or by email at johnz@pinncom.com.

Sincerely,

A handwritten signature in blue ink that reads "John Zeiler". The signature is fluid and cursive, with the first name "John" being larger and more prominent than the last name "Zeiler".

John Zeiler

General Manager, Pinnacle Communications

Residential Internet Pricing

Internet Speed	Only Internet	Phone / Internet
3 M / 512 K	\$100	N/A
5 M / 1 M	\$104	\$35
10 M / 1.5 M	\$105	\$40
20 M / 4 M	\$135	\$50
30 M / 6 M	\$140	\$60
40 M / 8 M	\$145	\$70
50 M / 10 M	\$150	\$80
100 M / 20 M	N/A	\$130

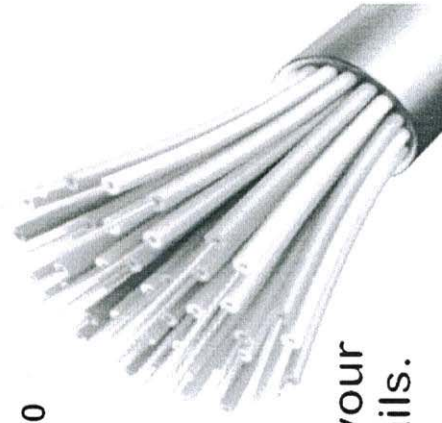
* Note: Phone pricing, taxes, & surcharges not included.

Prices are subject to change and may vary between states. Contact your local Pinnacle Communications office at 1-877-817-6744 for more details.



Residential Phone Features

Feature	Rates	Multi Service Disc.
Three Way Calling	\$2.50	\$2.00
Automatic Call Back	\$3.00	\$2.00
Automatic Recall	\$3.00	\$2.00
Call Forward Busy	\$2.50	\$1.50
Call Forward No Answer	\$1.50	
Call Forward Remote Access	\$2.00	\$1.50
Call Forwarding	\$2.00	\$1.50
Caller ID	\$6.95	\$5.95
Anonymous Rejection	\$3.00	\$2.00
Long Speed Dialing (30)	\$4.00	\$3.50
Simultaneous Ring	\$3.00	\$2.00
Call Waiting	\$2.00	\$1.50
Selective Call Forwarding	\$3.00	\$2.00
Selective Call Rejection	\$3.00	\$2.00
Selective Call Acceptance	\$3.00	\$2.00
Distinctive Ring Call Waiting	\$3.00	\$2.00
Voicemail	\$3.95	Call for more details
Speed Calling (8)	\$1.25	\$1.00
Inside Wire Maintenance	\$2.50	
Number Referral	\$4.00	
Distinctive Ring / Teen Service	\$3.00	
Remote Call Forward Access	\$2.50	



Prices are subject to change, and may vary between states. Contact your local Pinnacle Communications office at 1-918-963-2804 for more details.

John Zeiler

From: John Zeiler [johnz@pinncom.com]
Sent: Friday, December 19, 2014 12:56 PM
To: 'Dustin Stark'
Subject: Pinnacle's Lifeline Form
Attachments: Revised Lifeline Form for NEW Customers 2015.docx

Dustin,

Please find attached our lifeline form which I referred to in my email yesterday. If you could forward this to tribal offices for distribution to members that would be great.

Thanks,

John

PINNACLE COMMUNICATIONS
LIFELINE/LINK UP AMERICA ON TRIBAL LANDS PROGRAM
AUTHORIZATION AND SELF CERTIFICATION FORM

You are required to complete and sign this certification form in order to enroll you in Pinnacle Communications' "Tribal" Lifeline and/or "Expanded" Link Up programs. Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Lifeline service is a non-transferable benefit, and a Lifeline subscriber is prohibited from transferring the Lifeline service to another, including another person eligible for Lifeline service. This authorization and certification is only for the purpose of verifying your participation in these programs and will not be used for any other purpose.

All shaded areas must be completed!!!

**FOR OFFICE USE ONLY
DO NOT WRITE IN
THIS AREA**

Tel No: _____

Acct No: _____

Last Name: _____

Install Date: _____

Link-Up: Yes / No

NLAD: ADD REMOVE

DATE: _____

A. YOU MUST MEET PROGRAM PARTICIPATION REQUIREMENTS OR HOUSEHOLD INCOME REQUIREMENTS

I hereby certify that I participate in at least one of the following programs **("√" ALL THAT APPLY)** OR my household income is at or less than 135% of the federal poverty level:

- ____(S) Supplemental Nutrition Assistance Program (SNAP a/k/a Food Stamps)
- ____(S) Temporary Assistance for Needy Families (TANF)
- ____(S) Supplemental Security Income (SSI)
- ____(S) Medical Assistance (Medicaid/*Sooner Care*)
- ____(S) Vocational Rehabilitation (including aid to the hearing impaired)
- ____(S) Oklahoma Sales Tax Relief
- ____(S) Federal Public Housing
- ____(S) Low Income Energy Assistance Program
- ____(S) Food Distribution Program on Indian Reservations ("FDPIR")
- ____(F) National School Lunch Program (only applicant or customer who satisfy the income standard of the program for **free meals**)
- ____(F) Bureau of Indian Affairs General Assistance
- ____(F) Temporary Assistance for Needy Families (TANF) Tribally-administered block grant programs
- ____(F) Head Start Programs (only applicant or customer who satisfy the income qualifying eligibility provision)
- ____(F) My income is at or less than 135% of the federal poverty level. There is/are _____ individual(s) in my household. (*Customer has provided sufficient proof if income as set forth in 47 C.F.R. §54.400(f).*)
[Attach Federal Poverty Guideline Certification Form]

B. YOU MUST READ AND INITIAL ALL STATEMENTS BELOW TO ACKNOWLEDGE YOU UNDERSTAND YOUR OBLIGATIONS

- (i) _____ I certify that my residential telephone service address listed on the front of this form is my **permanent/temporary** (**circle one**) residential service address, and to the best of my knowledge this residential service address is located on former tribal land/reservation (as defined in title 25- Code of Federal Regulation, section 20.1, paragraph (v)).
- (ii) _____ I certify that if the residential telephone service address listed on the front of this form is a temporary one, upon request by the Company approximately every 90 days, I will recertify that I still live at that address. I understand that if I do not respond to the Company's verification request within 30 days I may be de-enrolled and will lose my benefits under the Lifeline program.
- (iii) _____ I certify that if in the future, I no longer live at the residential telephone service address listed on the front of this form, I will notify the Company within 30 days after moving.
- (iv) _____ I certify that I will notify the Company within 30 days if:
 - 1) I no longer participate in at least one of the programs listed on the front of this form; or
 - 2) I am receiving more than one Lifeline-supported service; or
 - 3) I for any reason no longer satisfy the criteria for receiving Lifeline support.
- (v) _____ I certify that the telephone service which I am requesting receipt of Lifeline and/or Linkup programs for is listed in my name.
- (vi) _____ I certify that I have provided documentation of eligibility, if required to do so and that such documentation was returned to me.

- (vii) _____ I certify that my household will receive only one Lifeline service and, to the best of my knowledge, my household is not already receiving a Lifeline service. My household is defined as any individual or group of individuals who live together at the same address and share income and expenses.

Do you live at an address at which there are multiple households (for example, a nursing home or group home)?

_____ Yes (*If yes, you must complete a supplemental form to determine your eligibility.*)
 _____ No

- (viii) _____ I certify that I understand that Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- (ix) _____ I certify that I understand that Lifeline service is a non-transferable benefit, and a Lifeline subscriber is prohibited from transferring the Lifeline service to another, including another person eligible for Lifeline service.
- (x) _____ I authorize my provider to transmit to the authorized Governmental entity or its designee handling the Lifeline Accountability Database my full name, my full residential address, my date of birth, and the last four digits of my Social Security Number, the telephone number to be associated with Lifeline Program benefits, the date on which Lifeline service is begun, the date on which Lifeline Program benefits end, the amount of support sought by the Company and the means through which I qualify for Program benefits. I understand that transmission of this information is required to ensure the proper administration of the Lifeline Program. I also understand that if I refuse to have this information transmitted to the Administrator, I will be denied Program benefits.

C. CUSTOMER /APPLICANT INFORMATION

Applicant's Name (PRINT) _____

Applicant's Date of Birth: ____ / ____ / ____
 (MM) (DD) (YYYY)

LAST FOUR DIGITS OF Social Security Number: _____
OR Tribal Identifications Number (if no SSN): _____

Home Phone Number: (____) ____ - ____

Work Phone Number (____) ____ - ____
 (Your contact number during weekdays between 8 a.m. and 5 p.m.)

Applicant's **Service** (Physical) Address: _____

Applicant's **Billing** Address (if different): _____

 Signature of benefit recipient

 Date

FOR COMPANY USE ONLY

Copy of ID? ____ Address Matched? ____ IF NOT MATCHED, Copy of other legal doc? ____ Face-to-Face by: ____
 (INITIALS)

Customer qualifies under Federal Poverty Guidelines? ____ Received *Federal Poverty Guideline Form*? ____ Attached? ____

Type of Documentation Reviewed? **SNAP** Card / Letter **MEDICAID** Card / Letter **SSI** _____

Other Documents: _____

NAME OF EMPLOYEE WHO VERIFIED ELIGIBILITY: _____

LAVACA TELEPHONE COMPANY, INC.
VOICE SERVICES RATE COMPARABILITY
(USAC DOCUMENT - 431704AR1010)

Voice Services Rate Comparability

Lavaca Telephone Company - Oklahoma

In compliance with the 54.313 Rules, Lavaca Telephone Company - Oklahoma must certify that its current rate for fixed voice services is no more than two standard deviations above the national average urban rate for voice service.

According to the 2015 Urban Rate Survey conducted by the FCC's Wireline Competition Bureau, the weighted average unlimited local rate is \$21.22. USAC Guidelines provide that two standard deviations above the \$21.22 would be \$47.48.

The rates for Lavaca Telephone Company - Oklahoma shown on the Voice Pricing Form (0700) are below \$47.48.

Consequently, Lavaca Telephone Company - Oklahoma meets the above mentioned requirement.

LAVACA TELEPHONE COMPANY, INC.

LIFELINE PLAN

(USAC DOCUMENT - 431704OK1210.PDF)

Lavaca Telephone Company dba Pinnacle Communications Lifeline Plan – Oklahoma

Pinnacle Communications offers Lifeline Telephone service to its customers. The eligibility criteria for Lifeline is indicated on the attachment. Upon confirmation of eligibility, appropriate Lifeline credit are provided to the customer. Oklahoma also qualifies for an additional credit that may not exceed \$25 for Tribal Lands.

The rate for basic exchange service rate in Oklahoma for Pinnacle customers in Oklahoma, before Lifeline credits is \$16.00.

The FCC rules specify that the basic local exchange service charges net of Lifeline credits cannot be lower than \$1.00. Since the total Lifeline credits available in Oklahoma exceed the rate charged for basic local exchange service, the Lifeline eligible customer pays \$1.00 for basic local exchange service. Pinnacle customers receive unlimited local calling as part of the Basic Local Exchange Service Plan.

No other credits are applied to rates for remaining services, including toll service (if the customer doesn't have toll limitation service). Lavaca's toll rate plans and prices are attached.



You may qualify if:

You are not declared a dependent for federal income tax purposes, and/or you receive benefits from one of the following programs:

Lifeline

- Supplemental Nutrition Assistance Program (SNAP f/k/a Food Stamps)
- Temporary Assistance to Needy Families (TANF)
- Supplemental Security Income (SSI)
- Medical Assistance (Medicaid / Sooner Care)
- Vocational Rehabilitation (including aid to the hearing impaired)
- Oklahoma Sales Tax Relief
- Federal Public Housing Assistance
- Low Income Home Energy Assistance Program (LIHEAP)

Tribal Lifeline:

- Bureau of Indian Affairs General Assistance (Check only, not Commodities)
- Temporary Assistance to Needy Families (TANF) Tribally-administered block grant programs
- Head Start Programs (only applicant or customer who satisfy the income qualifying eligibility provisions); or
- National School Lunch Program (only applicant or customer who satisfy the income standard of the program for **free meals**).

Lifeline / Tribal Lifeline

Lifeline is a telephone service assistance program designed to provide eligible residential customers with a credit to be applied to the price of basic local exchange service.

**Yes, YOU can
afford telephone
service...let us
show you how!**

**PINNACLE Communications
Panama, OK 74951
(918) 963-2804**

NATIONWIDE CALLING PLANS

(excluding Alaska & Hawaii)

500 Minutes - \$19.95

800 Minutes - \$29.95

1200 Minutes - \$39.95



Calling plans not available in all service areas. Call your local office for more details.

1-877-817-6744

LAVACA TELEPHONE COMPANY, INC.

MILESTONE CERTIFICATION

(USAC DOCUMENT - 431704OK3010.PDF)

[Type here]

Title 47 §54.313(a) (1) Progress Report

Due: July 1, 2015

Progress Report on 5 Year Plan

Line 3010 - Milestone Certification

Lavaca Telephone Company - Oklahoma certifies that, upon a reasonable request, it will provide Broadband services at actual speeds of 4Mbps downstream / 1Mbps upstream, with latency suitable for real-time applications, including VoIP and usage capacity that is reasonably comparable to urban areas and that requests for such services are met within a reasonable amount of time.

LAVACA TELEPHONE COMPANY, INC.
CONSOLIDATED FINANCIAL STATEMENTS
(USAC DOCUMENT - 431704OK3026.PDF)

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT
AND SUPPLEMENTARY INFORMATION

Years Ended December 31, 2014 and 2013

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

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Independent Accountant's Review Report

The Board of Directors
Lavaca Telephone Company
Lavaca, Arkansas

We have reviewed the accompanying consolidated balance sheets of Lavaca Telephone Company and Subsidiary (an S Corporation) as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the consolidated financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying pages 15 through 19 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic consolidated financial statements, and we did not become aware of any material modifications that should be made to such information.

Sartain Fischbein + Co.

Tulsa, Oklahoma
May 4, 2015

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

December 31,	2014	2013
--------------	------	------

ASSETS

Current Assets:

Cash and cash equivalents
Accounts receivable:
 Due from customers, less allowance for
 doubtful accounts of \$4,880 in 2014 and 2013
 Due from long distance carriers and pools
Materials and supplies
Prepaid Expenses

Total Current Assets

Noncurrent Assets:

Investments - other
Investment securities - available for sale
Cash surrender value - officer life insurance

Total Noncurrent Assets

Property, Plant and Equipment, at cost

Telephone plant in service
Telephone plant under construction

Less accumulated depreciation

Net Property, Plant and Equipment



See independent accountant's review report and notes to consolidated financial statements.

REDACTED - FOR PUBLIC INSPECTION

2014

2013

LIABILITIES AND STOCKHOLDERS' EQUITY**Current Liabilities:**

Current maturities of long-term debt
Accounts payable
Customer deposits
Other accrued liabilities

Total Current Liabilities**Long Term Debt****Other Noncurrent Liabilities****Total Liabilities****Stockholders' Equity:**

Common stock, \$100 par value: authorized,
issued and outstanding 545 shares
Retained earnings
Accumulated other comprehensive
income - unrealized gain on available-
for-sale investment securities

Total Stockholders' Equity

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended December 31,

2014

2013

Operating Revenues:

Regulated:

Local service

Access and long-distance

Miscellaneous

Nonregulated:

Internet

Long distance

Video

Other

Total Operating Revenues

Operating Expenses:

Regulated:

Plant specific

Plant non-specific:

Depreciation and amortization

Network and other

Customer operations

Corporate operations

Operating taxes

Nonregulated:

Internet

Long distance

Video

Other

Total Operating Expenses

Net Operating Income

Interest and Dividend Income

Equity in Net Operations of Investments

Interest Expense

Net Income



LAVACA TELEPHONE COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years Ended December 31,

2014

2013

Net Income

Other Comprehensive Income:

Unrealized holding gains on securities

Total Other Comprehensive Income

Comprehensive Income



LAVACA TELEPHONE COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years Ended December 31, 2014 and 2013

	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2013				
Net Income				
Dividends paid				
Other comprehensive income				
Balance, December 31, 2013				
Net income				
Dividends paid				
Other comprehensive income				
Balance, December 31, 2014				

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31,

2014

2013

Cash Flows From Operating Activities:

Net income

Adjustments to reconcile net income to net
cash provided by operating activities:

Depreciation and amortization

Equity in net loss of investments - other

(Increase) decrease in:

Accounts receivable

Prepaid expenses

Materials and supplies

Cash surrender value - officers' life insurance

Other

Increase (decrease) in:

Accounts payable and accrued liabilities

Other noncurrent liabilities

Net Cash Provided by Operating Activities

Cash Flows From Investing Activities:

Purchase of available-for-sale investment securities

Expansion and replacement of property, plant
and equipment

Proceeds from sale of investment

Net Cash Used in Investing Activities

Cash Flows From Financing Activities:

Net increase in customer deposits

Principal payments on long term debt

Dividends paid

Net Cash Used in Financing Activities

See independent accountant's review report and notes to consolidated financial statements.

REDACTED - FOR PUBLIC INSPECTION

	2014	2013
--	------	------

Net Increase in Cash and Cash Equivalents

Cash and Cash Equivalents, beginning of year

Cash and Cash Equivalents, end of year

OTHER DISCLOSURES

Interest paid



LAVACA TELEPHONE COMPANY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of Lavaca Telephone Company and its wholly-owned subsidiary, Pinnacle Communications (collectively referred to as "the Company"). Intercompany transactions and balances have been eliminated in consolidation.

Description of Business: The Company operates a general telephone business in Lavaca, Arkansas with exchanges in Arkansas and Oklahoma. The Company also provides internet, long distance and video services.

Basis of accounting: The Company maintains its accounts in accordance with Part 32 of the Uniform System of Accounts prescribed by the Federal Communications Commission ("FCC"). The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which are consistent in all material respects with the accounting prescribed by the FCC.

Cash and Cash Equivalents: Cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less.

Interest-bearing cash balances at financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 for each financial institution. As of December 31, 2014, the Company had approximately [REDACTED] in uninsured cash balances at FDIC institutions.

Accounts Receivable and Credit Policies: Accounts receivable consists of amounts due from subscribers, including local service, toll, taxes and applicable fees. Accounts receivable also include amounts due from long distance carriers, access service pools, and cable television, internet, and cellular customers. Accounts receivable are uncollateralized (however, certain customers are required to have a deposit) and due monthly. Accounts receivable are stated at the amount billed. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected.

Materials and Supplies: Materials and supplies consist of regulated inventory used in the construction of telephone plant in service and nonregulated inventory held for resale to customers. All inventory is stated at the lower of cost, as determined using the average cost method, or market.

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

Investments in Nonregulated Operations: Depreciation on property and equipment used in nonregulated operations is provided by the straight-line method over the estimated useful lives of the related assets. Repairs and maintenance are charged to expense as incurred, whereas major improvements are capitalized. Depreciation expense charged to nonregulated operations was approximately [REDACTED] in 2014 and 2013.

Investment Securities: Investment securities consist of investments in equity securities. Investment securities are classified as available-for-sale and are carried at fair value. Unrealized gains and losses on securities available-for-sale are recognized, net of income taxes, as a direct increase or decrease in stockholders' equity.

Fair Value Measurement: Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures* defines fair value as the price that would be received to sell an asset or paid to transfer a liability ("exit price") in an orderly transaction between market participants at the measurement date. ASC Topic 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows: Level 1, based on quoted prices for identical assets or liabilities in active markets that the Company has the ability to process, Level 2 based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets, or inputs other than quoted price that are observable for the asset or liability, and Level 3, based on inputs that are unobservable and significant to the fair value measurement.

Property, Plant, and Equipment: Property, plant and equipment is carried at historical cost. Depreciation is provided by the straight-line method over the estimated useful lives of the related assets. Depreciation expense on property, plant and equipment was approximately [REDACTED]

Recognition of Local Service Revenue: Local service revenue includes charges for monthly local telephone service and settlements from the Federal Universal Service Fund. Revenues are recognized in the month service is provided. Approximately \$1,912,000 or [REDACTED] of operating revenues in 2014 and \$1,601,000 or [REDACTED] of operating revenues in 2013, derive from the Federal Universal Service Fund.

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

Recognition of Access Service Revenue: Access service revenue includes interstate customer end user charges, interstate and intrastate charges assessed to long distance carriers for using the Company's facilities for their long distance communications, and interstate settlements under jurisdictional reporting requirements with the National Exchange Carriers Association. Access service revenue is recognized as earned.

Recognition of Miscellaneous Revenue: Miscellaneous revenue consists primarily of fees received from long distance carriers for billing and collection services performed by the Company and directory revenue, and is recognized as earned.

Income Taxes: The Company's stockholders have elected under Subchapter S of the Internal Revenue Code to report individually the taxable income of the Company. Accordingly, these financial statements contain no provision for income taxes.

FASB ASC Topic 740, *Income Taxes*, requires an entity to recognize a liability for tax positions when there is a 50% or greater likelihood that the position will not be sustained upon examination. The Company is liable for taxes if its initial election as an S corporation was invalid or if it ceases to meet the requirements of an S corporation. The Company believes that its initial election was valid and that it continues to meet the requirements of an S corporation, and that is more likely than not that this position would be sustained upon examination. As such, there is no liability recorded for uncertain tax positions as of December 31, 2014 and 2013.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in process. Management believes it is no longer subject to income tax examinations for years prior to 2011.

Subsequent Events: The Company evaluated subsequent events through May 4, 2015, the date these financial statements were available to be issued.

2. INVESTMENTS - OTHER

Investments – other consist of the following:


	2014	2013
Internet equipment, net of accumulated depreciation of [REDACTED]	[REDACTED]	[REDACTED]
Investments deferred to fund compensation agreements (See Note 6)		
Other		

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013



4. PROPERTY, PLANT AND EQUIPMENT


Following is a summary of property, plant and equipment at December 31:

	<u>2014</u>	<u>2013</u>
Land		
Buildings and improvements		
Furniture and equipment		
Central office switching		
Central office transmission		
Cable and wire facilities		
Less accumulated depreciation		
Net property and equipment		

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

5. LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2014</u>	<u>2013</u>
		

6. OTHER NONCURRENT LIABILITIES

	
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7. FAIR VALUE MEASUREMENTS

ASC Topic 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.


Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value is based on the following valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 as compared to those used at December 31, 2013.



The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair measurement at the reporting date.

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013



8. RISKS AND UNCERTAINTIES

The Company services various local telephone exchanges in Arkansas and Oklahoma. The Company is subject to rate regulation by the Federal Communications Commission and the Arkansas and Oklahoma Corporation Commissions. The telecommunications industry is moving into a competitive environment with new competitors and required restructuring of revenue from access charges and support mechanisms.

The subject is controversial and difficult to resolve. Therefore, at this time, the impact of such changes both from Federal and State Commissions cannot be determined.

The Company is also subject to audits from federal and state oversight organizations because of its participation in certain high cost funding mechanisms. At this time, the Company does not expect any such audits to have a material effect on its financial statements.

LAVACA TELEPHONE COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

In November 2011, the Federal Communications Commission ("FCC") released the "USF/ICC Transformation Order" (the "Order") and "Further Notice of Proposed Rulemaking" ("FNPRM"), with the stated objective of reforming and modernizing the universal service and intercarrier compensation systems.

To date, numerous petitions for reconsideration of certain aspects of the Order and FNPRM have been filed by certain affected companies and telecommunications industry organizations. In addition, in February 2012, the FCC issued a further order to revise and clarify certain rules of the Order, and to modify certain requirements of the Order. This further order also stated that the above mentioned petitions for reconsideration are pending before the FCC and will be addressed by the FCC.

The final resolution of the above-mentioned petitions for reconsideration and their effect on the ultimate provisions of the Order is unknown at this time. As a result, the effect of the Order on the Company's intercarrier revenues and universal service revenues is not known at this time.

SUPPLEMENTARY INFORMATION

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

CONSOLIDATING BALANCE SHEET

December 31, 2014

	<u>Lavaca Telephone Co.</u>	<u>Pinnacle Telecom LLC</u>	<u>Eliminations</u>	<u>Consolidated Balance</u>
ASSETS				
Current Assets:				
Cash and cash equivalents				
Accounts Receivable:				
Due from customers, net				
Due from affiliate				
Due from long distance carriers and pools				
Materials and supplies				
Prepaid expenses				
Total Current Assets				
Noncurrent Assets:				
Investments - other				
Investment securities				
Cash surrender value of officer life insurance				
Total Noncurrent Assets				
Property, Plant and Equipment, at cost				
Telephone plant in service				
Telephone plant under construction				
 Less accumulated depreciation				
Net Property, Plant and Equipment				

See independent accountant's review report.

REDACTED - FOR PUBLIC INSPECTION

	Lavaca Telephone Co.	Pinnacle Telecom LLC	Eliminations	Consolidated Balance
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Current maturities of long-term debt				
Accounts payable				
Accounts payable - affiliate				
Customer deposits				
Other accrued liabilities				
Total Current Liabilities				
Long Term Debt				
Other Noncurrent Liabilities				
Total Liabilities				
Stockholders' Equity:				
Common stock				
Retained earnings				
Accumulated other comprehensive income				

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

CONSOLIDATING STATEMENT OF OPERATIONS

Year Ended December 31, 2014

	<u>Lavaca Telephone Co.</u>	<u>Pinnacle Telecom LLC</u>	<u>Eliminations</u>	<u>Consolidated Balance</u>
Operating Revenues:				
Regulated:				
Local service				
Access and long-distance				
Miscellaneous				
Nonregulated:				
Internet				
Long distance				
Video				
Other				
Total Operating Revenues				
Operating Expenses:				
Regulated:				
Plant specific				
Plant non-specific:				
Depreciation and amortization				
Network and other				
Customer operations				
Corporate operations				
Operating taxes				
Nonregulated:				
Internet				
Long distance				
Video				
Other				
Total Operating Expenses				
Net Operating Income				
Interest and Dividend Income				
Equity in Net Operations of Investments				
Interest Expense				
Net Income				

LAVACA TELEPHONE COMPANY AND SUBSIDIARY

SCHEDULE OF TELEPHONE PLANT IN SERVICE - ARKANSAS

December 31, 2014

Assets

	Balance December 31, 2013	Additions	Disposals/ Reclass- ifications	Balance December 31, 2014
Land				
Motor Vehicles				
Other Work Equipment				
Buildings				
Building - Remote				
Building - Signage				
Furniture				
Office Support Equipment				
General Purpose Computers				
COE - Digital Electronic Switch				
COE Remote - Generator				
COE - Voice Mail				
COE - ADSL Multiplex				
Circuit Equip. - Local CXR				
Poles				
Buried Fiber				
Aerial Wire				

See independent accountant's review report.

REDACTED - FOR PUBLIC INSPECTION

Accumulated Depreciation

<u>Annual Depreciation Rate</u>	<u>Balance December 31, 2013</u>	<u>Additions</u>	<u>Disposals/ Reclass- ifications</u>	<u>Balance December 31, 2014</u>
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LAVACA TELEPHONE COMPANY AND SUBSIDIARY

SCHEDULE OF TELEPHONE PLANT IN SERVICE - OKLAHOMA

December 31, 2014

Assets

	Balance December 31, 2013	Additions	Disposals/ Reclass- ifications	Balance December 31, 2014
Land				
Motor Vehicles				
Other Work Equipment				
Buildings				
Furniture				
Office Support Equipment				
General Purpose Computers				
COE - ADSL Multiplex				
Circuit Equip. - Local CXR				
Poles				
Buried Fiber				
Aerial Wire				

See independent accountant's review report.

REDACTED - FOR PUBLIC INSPECTION

Accumulated Depreciation

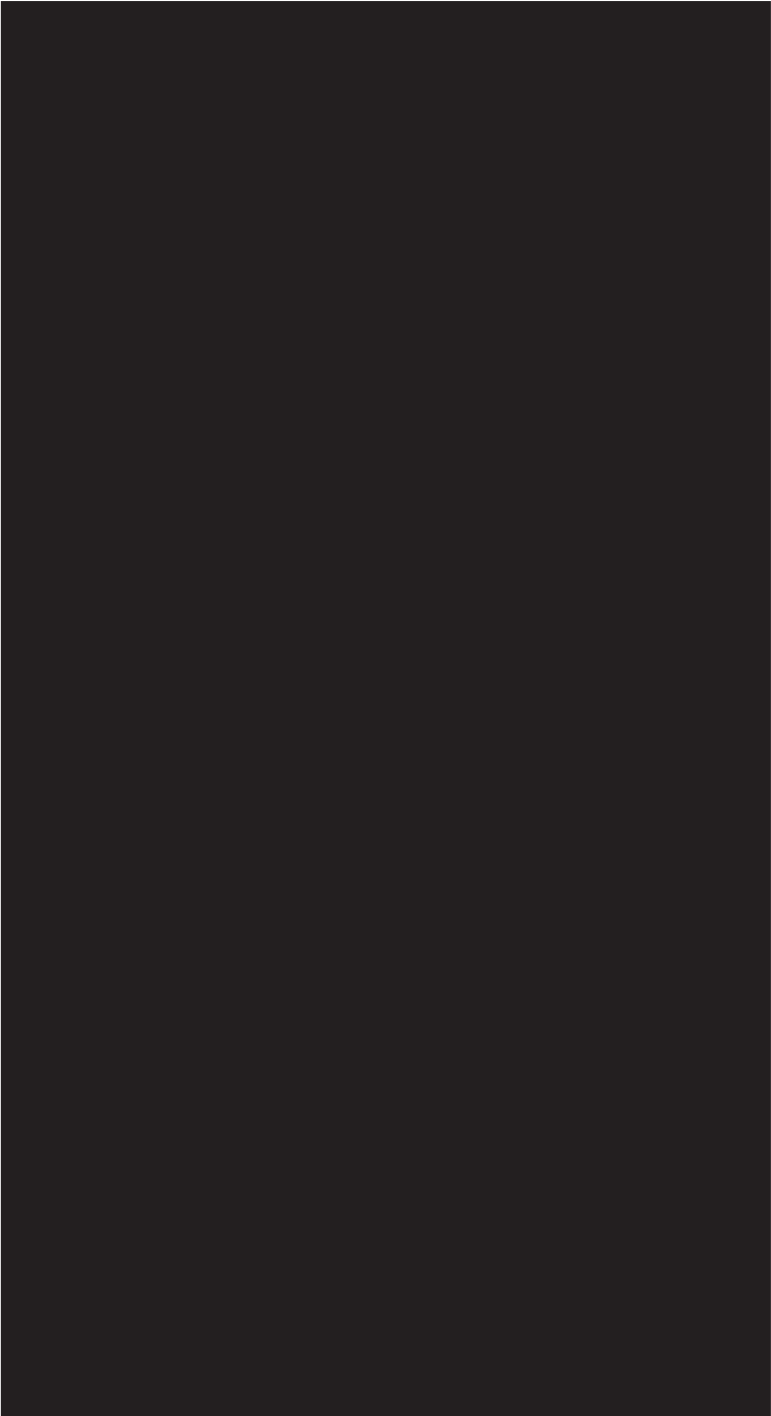
<u>Annual Depreciation Rate</u>	<u>Balance December 31, 2013</u>	<u>Additions</u>	<u>Disposals/ Reclass- ifications</u>	<u>Balance December 31, 2014</u>
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LAVACA TELEPHONE COMPANY AND SUBSIDIARY

SCHEDULE OF OPERATIONS BY STATE

Year Ended December 31, 2014

	<u>Arkansas</u>	<u>Oklahoma</u>	<u>Total</u>
Operating Revenues:			
Local service			
Access and long-distance			
Miscellaneous			
Total Operating Revenues			
Operating Expenses:			
Plant specific			
Plant non-specific:			
Depreciation and amortization			
Network and other			
Customer operations			
Corporate operations			
Total Operating Expenses			
Net Operating Revenue			
Operating Taxes:			
Other operating taxes			
Total Operating Taxes			
Net Operating Income			
Interest and Dividend Income			
Interest Expense			
Net Regulated Income			
Nonregulated Income			
Net Income			